



“Isabel’s Car Wash” by Sheila Bair

Don’t miss the author’s information on page 40 of this guide!

Isabel decides to start a car wash business to earn money to buy a doll. However, before she can get started she must convince her friends to make an investment in her business. This exercise provides the opportunity to:

1. Demonstrate how people invest in a business;
2. Teach students about stocks and investment risk; and
3. Encourage students to consider how they can make money by starting their own businesses.

Time Limit: 35-40 minutes

Supplies Needed:

- *Isabel’s Car Wash* by Sheila Bair
- Play money (master for copying on page 23)
- One small box or jar labeled “Invest Now!”
- Copy of picture of “Handy Dandy Automatic Book Reader!” on page 22



I Can Understand Investing!

(1) *As students come in, hand each of them two \$1 bills. You’re going to try and persuade students to invest in a business you are starting right there in the school library! Make a copy of the “Handy Dandy Automatic Book Reader!” on page 22 to show to the students. You also can make up any other idea you have for an outrageous item that you think NO ONE would want to invest money in. Pitch your idea to students and see who will invest all of their money, some of their money, or none at all.*

Before we begin our story today, I want to share with all of you news about a business I’m planning on starting. I plan to make and sell Handy Dandy Automatic Book Readers! *Show students the picture.* With all of your school work and sports, you may not have time to read everything you’d like to read. AND, we know that we do a lot of reading in school, particularly here in the library. I want to test my idea out on you--that’s why I gave each of you two pretend \$1. I want to tell you about my book reader and see if you might want to invest (or spend) some or all of the money I just gave you to support my new business. It will help me measure if this is an idea I can take to others to raise some real money to pay for my business idea.

Walk students through the functions of the automatic book reader: (1) automatically reads any book you place under it; (2) it stores the words on a computer for you; and (3) you can read the book on your computer--but there are no pictures and the type can be a little small to read. Really play up the automatic part of the reading by the machine at the start - but sound a little uncertain about option three--where they essentially still have to read the book, but without pictures, color, and in little print!

What do you think of my idea? *Let students respond.*



Of course, I still have some problems to work out. It doesn't automatically read the book for you, EXACTLY. You will still have to read the book--just on a computer. AND, it doesn't have any of the great pictures that some of our books here have. BUT, you can read it on a computer--the words are just sort of small. Hmmmm.

Well, let's see who wants to invest (or spend money) on my idea! If you would like to invest any of your money, come up now and put it in this box. *Let students come forward.* We'll check the box after our story today.

(2) Today's story is called *Isabel's Car Wash* by Sheila Bair. Isabel has a challenge similar to my challenge of starting a business. We'll read about how she raised money for a business and how it all worked out.

Read the story.

Pause in your reading when you finish page 14. Check for understanding with your students.

Just like Isabel, businesses approach people to ask them to invest or spend money on their company. Each part of the business that Isabel's friends invested in is called a **share of stock**. Each share is worth \$1. In real life, people buy shares of stock in companies like Facebook or the Walt Disney Company. They buy shares of stock through the stock market. A stock market works like a store, only you buy shares of companies. It isn't located in just one place, but is a worldwide group of organizations linked by computers and phones.

Are Isabel's friends guaranteed to get their money back? *Answer- No.* How will Isabel's friends make money--make a profit? *Answer: Isabel will have to do enough car washes to pay back her friends, plus extra (the profit) which she will split with them.*

Finish reading the story.

(3) Let's review.

Why did Isabel want to earn money? *Answer: To buy the doll and to buy supplies to start her business.*

For students your age, how do you normally get money for things that you want or need? *Accept answers. Guide discussion to three basic areas: receive an allowance, receive money as gifts, earn it.*

Have any of you ever thought of starting your own business? *Accept answers. Lead a discussion on the types of businesses they could start. Some examples might be an animal care business (dog walking, watching pets when their owners are gone); lawn care business (mowing lawns, weeding); paper routes (if you have them in your area); etc.*

What made Isabel's car wash a success? *Answer: Having an idea for a business that was needed, able and willing to work hard, and persuading others to support her idea.*



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We call people who invest or spend their money on a business to make a profit **Investors**. When we started, I asked each of you to invest in my business - the Handy Dandy Automatic Book Reader! Before Isabel's friends invested in her business, they asked these questions:

Do you know how to wash cars? They were checking to see if she knew what she was doing. Did she have the experience that was needed to do a good job.

What if no one comes to your car wash? They were checking to see if it was a good idea. Did anyone need their car washed?

How will you divide the money you make? As investors, they were checking to see how they would make money on the car wash.

I didn't give you the chance to ask me a lot of questions about my new business idea. However, let's see how much money you would have invested in my idea. *Count the money in the box. Discuss with students why they did or did not invest in your idea. Many students may have decided to invest because they know you. Point this out. Discuss why investors should consider more than just knowing a person before an investment is made.*

If you know someone who owns their own business, ask them how they got started. Tell them about *Isabel's Car Wash*.

Just an IDEA!

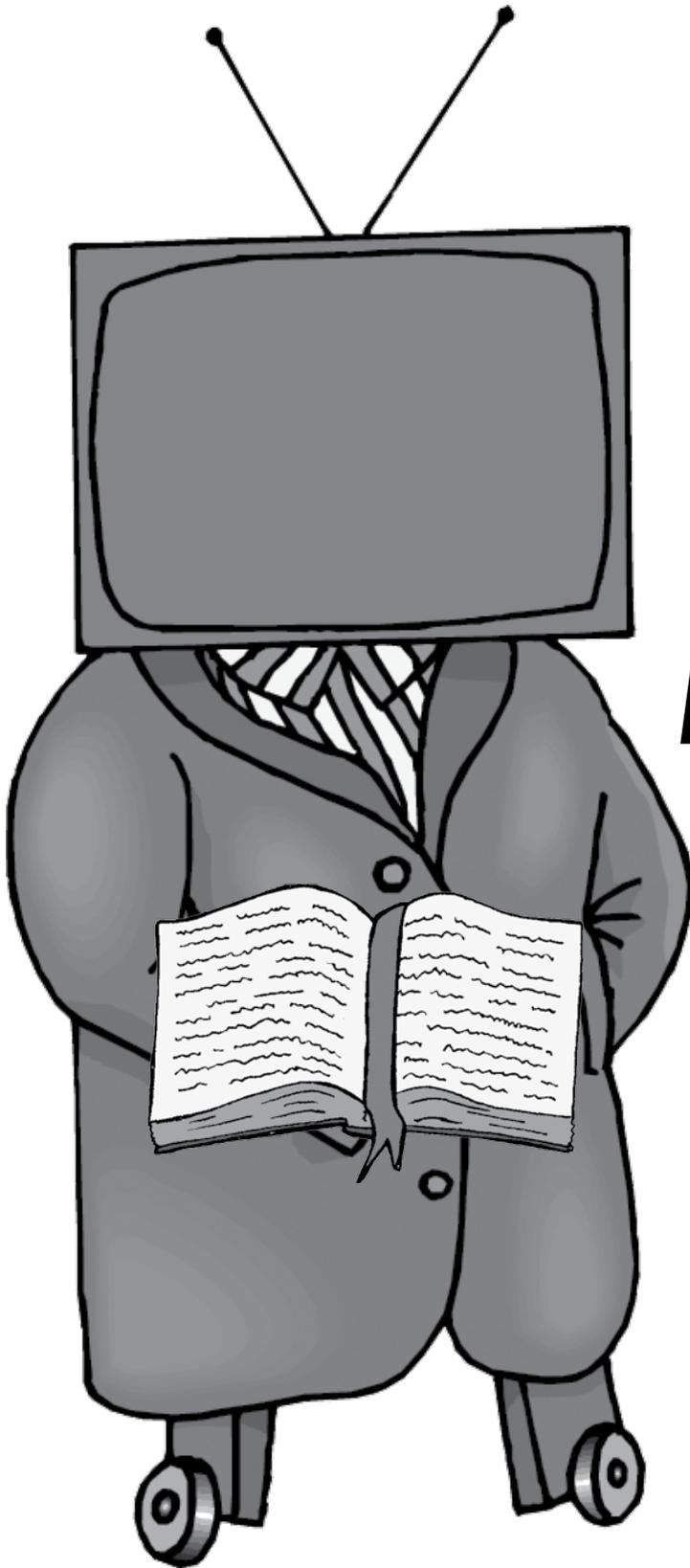
Online games can be a fun way to encourage your students to learn more about managing money. Here are a few to check out.

The Great Piggy Bank Adventure
piggybank.disney.go.com

Assume a virtual identity and use different investment strategies to grow your money!

U. S. Mint H.I.P. Pocket Change
www.usmint.gov/kids/teachers/financialLiteracy

Explore several online games and activities designed to promote understanding of basic economic concepts



**Handy
Dandy
Automatic
Book
Reader!**

